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INVESTIGATE STATE DEPARTMENT?

A series of rumblings in Washington and elsewhere around the country have not yet taken on volcanic proportions, but by the time Congress gets back to work next month, there could be a full-scale eruption. The rumblings have to do with our State Department - not necessarily the top officials but the usually faceless and nameless bureaucrats on whom the higher-ups depend for information and advice. The eruption could consist in a demand for a thoroughgoing investi-

gation by Congress of the State Department, an investigation which many observers think is long overdue.

These observers have in mind a long series of strange performances which seem to emanate from what they call the entrenched bureaucracy in the State Department. Secretaries of State and administrations change, but this bureaucracy evidently goes on forever. The personnel may be a bit newer, but it usually represents a type of mind which thinks of communism as

merely a somewhat different kind of government from our own with which we can do business, reach agreements and, if we are just sweet and kind enough to its leaders, get them to give up their idea of world revolution. Of course, this puts the best light on this sort of thinking; there are others who see more sinister reasons behind it.

In any case, those who believe the bright light of congressional inquiry into the darker corners of the State Department is badly needed, point to the handling (or rather lack of handling) of the famous Bang-Jensen case. They point to the awful fiasco of last Spring's Cuban invasion, to the now-you-see-it-now-you-don't policy on Berlin, Laos, South Vietnam and so on. But what really may bring the rumblings to a

loud roar is a recently revealed fact which, incidentally, did not get the news coverage it deserved in the big metropolitan 'liberal' newspapers. The fact was revealed the day after Fidel Castro announced to the world that he was a communist, had been a communist for a long time, and intended to be a communist the rest of his life. Dr. Robert Morris, now president of the University of Dallas, who was for a long time chief counsel to the Senate Internal Security Committee, revealed that for six long years the FBI and other American experts had tried, and failed, to convince the State Department planners that Castro was a communist. Dr. Morris, too, thinks the State Department should be investigated - and he is beginning to have plenty of company.

CLOSE LOOK AT SPENDING

Another red-hot subject when Congress gets back to Washington after the New Year will be your money - how much of it the politicians will grab, spend and borrow. The administration is now talking about a government spending budget for the fiscal year 1963 of - hold your hats -

100 billion dollars. In case you do not know what 100 billion dollars is (and who does?), it is more than all of us spent last year on all our clothing, all our recreation and amusements, all the new houses, apartments, office buildings and industrial plants. We spent plenty on

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these items - around 90 billion dollars - but the administration wants to spend in one year 10 billion dollars more, just to run the government, than we spent on clothing, recreation and building.

The heavily-burdened American taxpayer, of course, is supposed to sit back and take on the chin -and in his pocketbook-this constantly rising cost of government. The big excuse for it, the one used to quiet frustrated taxpayers, is national defense. Everyone, naturally, wants the United States to have the strongest possible defense. But a closer look at the government's spending over the last 10 years -and this includes both Republican and Democratic ad-

ministrations - tells a very different story. Let's compare the government's spending 10 years ago, in 1952, with its spending for the fiscal year 1962 and see if it is really national defense, or something else, that causes the major increase. In round figures, the government spent 45 billion dollars on national defense 10 years ago. This year it will spend 54 billion dollars. That's an increase of nine billion dollars. But the overall spending by the government this year compared with 10 years ago is greater by 22 billion dollars. In other words, the government is spending this year, entirely aside from national defense, 13 billion dollars more than it spent 10 years ago.

Heavy as are the taxes which the government takes from you, it still spends more than it collects. It has to borrow the difference. This is what makes the deficits - the red ink in the federal government's budget. These deficits add to our fantastic government debt and to the ever-increasing interest charge on the debt - an interest charge which must be met each year by your taxes. The deficit this year will be somewhere between seven and

nine billion dollars. What it may be for the fiscal year 1963, if the administration

can put over its proposed 100-billion-dollar spending program, is anybody's guess.

TIME-BOMB

Certainly the raid on the taxpayer for all this spending which has nothing to do with national defense is bad enough. But it has an even more serious aspect. This wild and irresponsible spending can wreck our free system much more effectively than Khrushchev's bombs. A recent report by an expert analyst for the National Bureau of Economic Research says Americans are not saving enough. He does not go into the reasons why this is so, but points out that in order to keep our free-enterprise system in good health and so that it may continue to produce more of the abundance it has produced in the past, savings by the people are absolutely essential. To put this another way, savings are the life-blood of the free, capitalist system. It cannot live without them because it is from the savings of the people that come the funds for investment in new industries and for the expansion of old ones. The savings of individual Americans, invested in new and old indus-

tries, are also one of the prime factors in keeping our system free. Individual savers (investors) provide a free capital market. Otherwise, the government steps in - and then we have the austerity, scarcity, one-notch-above-poverty for everyone of socialist and communist systems.

This is where the great danger - the home-grown bomb - appears, in the form of fantastic and increasing government spending. It is this vast spending by the government which keeps people from saving. You can get all kinds of reasons from the New Frontier economists for people not saving enough, but they never get around to the real reason, because it would reveal immediately the glaring fallacy in their philosophy of 'let the government do it.' First, there is the whole idea of the socialist welfare state, of which we have already adopted a goodly portion. If you can sell people the idea that the government will take care of them in their old age or when they are sick, natu-

rally they won't bother to save money for these contingencies. Second, when taxes to support this welfare state and other wild spending take anywhere from 20 to 90 cents of everybody's dollar, it is impossible to save as much as one should. Third, when the government consistently spends great sums of money and borrows a large part of it - as it has been doing for 25 out of the last 32 years - it

causes inflation. Inflation means that no matter how many dollars a person earns, each dollar constantly buys less and less - is always losing some of its value. So people spend rather than save because they want to get as much for their dollar as they can before it loses its value.

Government spending is a time-bomb that can blow up in our faces unless we find a way to de-activate it.

Foregoing items covered in Mutual network broadcast 12/17 61

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Book Review TODAY'S HORATIO ALGERS

THE NEW MILLIONAIRES AND HOW THEY MADE THEIR FORTUNES by the Editors of the Wall Street Journal, 187 pages, Geis Associates, N.Y., \$4.95.

It may be hard to believe but between the covers of this fascinating volume are 14 modern Horatio Alger stories, with this difference: These really happened. They may not all be exactly rags-to-riches sagas. Nonetheless, despite high taxes, innumerable government controls and interferences, the myth of 'giant monopolies' and all the rest, it is still possible to become a millionaire in

the United States of America. It is not only possible but it's being done, as these stories prove conclusively, more and more. The 13 men and one woman whose rise to riches - occurring in every case since the end of World War II - as here recounted are not *all* the new millionaires; not by any means. They are merely representative of their breed. These tales are a glowing tribute to the American free enterprise system - hobbled, vitiated, attacked, denounced, weakened as it is. It leads one to wonder - what in the world

could it produce were its shackles removed?

However, the system can be no better than its parts - the human beings who live and produce within its area. And since these new millionaires are necessarily individualists, it is not easy to discern a pattern in the way they grew wealthy by supplying a needed or wished-for product or service - and made a good many new jobs in the process. However, Warren H. Phillips, managing editor of the *Wall Street Journal* whose editors dug up and printed these stories in the first place, notes at least two qualities which seem to be common to almost all the biographees. One was a willingness to take a chance - even more, to take big risks. Another, common to every one of the 14, was a willingness to work very hard. Twelve, 15, even 17 or 18-hour days were neither uncommon nor unusual. Some of them attributed their success to luck, but as one of the writers remarked of his subject, he is a living example of the truth of the maxim 'that the people with the best luck usually turn out to have manufactured most of it themselves.'

For parents of future aspiring millionaires or merely successful entrepreneurs, one other unusual fact emerges. Education does not seem to have much to do with it - or rather we should say formal, easy-to-come-by higher education provided by doting papas or benevolent governments. Of the five millionaires who had college training, four of them got it by paying for it themselves - one, for instance, was a night shipyard laborer and watchman while attending college. But nearly half these new millionaires had only a high school education or less. This is not to decry the need for higher education, particularly in fields calling for highly-trained personnel. But it is an indication that a college degree, especially if obtained simply because it is a sort of 'union card,' is not necessarily an automatic key to success.

In any case, we are sure you will enjoy discovering how these 14 Americans sought and found the road to riches, how they salvage them (partially) from the tax-grabbers, and what they do with their money once they make it.

- Rosalie Gordon

WINNING THE WAR

"The Goodwill Publishing Company of Gastonia, N.C., has an interesting way of reminding its workers about the weight of the tax load they are carrying. Twice a month the employees are paid in full, and the withholding tax is not withheld. For a few blissful moments they have in hand the money they have earned. Then the company paymaster visits each and every one of them and takes back the Federal and State taxes that are due. It sounds like a good idea but we'd like to see it expanded...have paymasters throughout the country call on employees (with) a routine such as this:

"Now let's get at those deductions. First let's have \$2.15 as your contribution to Nehru. Next we'll want \$1.95 for Comrade Tito, plus \$1.12 for Comrade Gomulka. Now we're going to need \$1.65 for Sukarno, our good pro-communist ally in Indonesia, and exactly \$2.00 for Toure, Nkrumah, and a few other African neutralists. The tab for our good neighbors to the south will be a little higher from now on, \$2.50, and finally we'll need 89¢ for Ed Murrow so he can tell the world the awful truth about the United States.

"What's that? You object? How do you expect to win the war against communism?" "

- from the Editor's Corner
in *AMERICAN LEGION MAGAZINE*.

PARITY WITH REDS

"If our nation wanted to achieve a miserable sort of economic parity with the Soviet system, it would be necessary

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to dismantle over half our steel capacity, abandon two-thirds of our petroleum capacity, destroy two of every three hydroelectric plants, rip up 14 of every 15 miles of our paved highways and two of every three miles of mainline railroad tracks. And we'd have to scrap 19 out of every 20 cars and trucks, put about 60 million of our people back on the farm, tear out nine of every 10 telephones, pull down seven out of every 10 houses and cut our general standard of living by three-fourths. Oh yes, and destroy 40 million TV sets."

- Leslie B. Worthington, Pres. of U.S. Steel, quoted in
the Wall Street JOURNAL

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